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ABSTRACT

The Inter-American Foundation (IAF), an independent agency of the U.S. government, funds innovative, participatory, and sustainable self-help development projects proposed and managed by grassroots groups and supportive organizations in Latin America and the Caribbean. IAF also encourages partnerships among community organizations, businesses, and local governments, directed at improving the quality of life for poor people and strengthening democratic processes. This annual report for 2001 describes IAF's grantmaking, evaluation, and dissemination activities and the July 16th forum "Building Democracy from the Grassroots," organized by IAF and a unit of the Organization for American States. The forum brought together policy makers and development practitioners to discuss the proposition that a democracy must be built from the bottom up. In 2001, IAF awarded 43 new grants and 27 supplemental grants in 15 countries, totalling about \$13.9 million. Funding was distributed among five program areas: enterprise development and management, agriculture and food production, education and training, community services, and ecodevelopment. Many projects involved indigenous communities or focused on women's education and self-employment. Educational activities included entrepreneurship training, community-based literacy education and life-skills training, training in business and marketing, electrification and facilities improvement in rural schools, community leadership training, and agricultural and vocational education for adults and youth. (SV)

ED 465 488

Inter-American Foundation

2001 in Review

Building Democracy from the Grassroots

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Cover: Mariano Curicama, center in blue, and the Comité de Desarrollo Local de Guamote conduct an outdoor town meeting on the management of forest resources in Chimborazo, Ecuador. For more on the IAF's funding in Chimborazo, see page 25. (Photo: Courtesy of the Comité and Carlos Criollo)

Back: An unidentified folk artist's rendering of a town meeting in Chimborazo. (Photo: Mark Caccido)

2001 in Review

Inter-American Foundation

October 1, 2000 to September 30, 2001



Photo: Jim Adragna

This annual report is dedicated to the memory of

Tyrone Broadus,
our friend and colleague.

1948-2001

2001 in Review

Inter-American Foundation

The Inter-American Foundation (IAF) is an independent foreign assistance agency of the United States government that provides grants to grassroots organizations in Latin America and the Caribbean. Created in 1969 as an experimental program, the IAF responds to innovative, participatory and sustainable self-help development projects proposed by grassroots groups and organizations that support them. It also encourages partnerships among community organizations, businesses and local governments, directed at improving the quality of life for poor people and strengthening democratic practices. To contribute to a better understanding of the development process, the IAF shares its experiences and the lessons it has learned.

The Inter-American Foundation is governed by a nine-person board of directors appointed by the president of the United States and confirmed by the U.S. Senate. Six members are drawn from the private sector and three from the federal government. The board is assisted by an advisory council. A president, appointed by the board, serves as the Inter-American Foundation's chief executive officer, managing a staff of 42 employees based in Arlington, Virginia.

Congress appropriates funds annually for the Inter-American Foundation. The IAF also has access to the Social Progress Trust Fund administered by the Inter-American Development Bank and consisting of payments on U.S. government loans extended under the Alliance for Progress to various Latin American and Caribbean governments. Since 1972, the IAF has made 4,348 grants for more than \$528 million. Together, the IAF and its grantees have created cost-effective models of social and economic development which have often been replicated by government and larger donor agencies to better the conditions of hundreds of thousands of poor families in communities throughout the hemisphere.

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* This listing is current as of September 30, 2001.

Message from the Chair

It is impossible to look back on the previous year without focusing on the tragic events of September 11 that have so changed the world for all of us. Despite the current crisis though, and maybe even because of it, the Inter-American Foundation's mandate to support the self-help efforts of the poor in Latin America and the Caribbean and foster democratic ideals in the Western Hemisphere is more relevant than ever.

Since taking office, President Bush has been unwavering in his commitment to strengthen relations between the United States and our Latin American and Caribbean neighbors. President Bush's efforts are especially critical now, given the severe economic crisis devastating so many countries in the region, plunging greater numbers of people into extreme poverty and diminishing hope. With its unique program of support for community development, the Foundation can play a decisive role in alleviating want and reducing the allure of violence.

I have served on the Board of Directors of the Inter-American Foundation for 11 years. During my tenure, I have done my best to help the Foundation mature into a respected source of expertise on grassroots development. I have seen the staff become more professional, efficient and accountable. Notwithstanding the severe budget cuts imposed since fiscal 2000, the Foundation has maintained a standard of excellence while stretching limited resources to cover a vast geographic area. It has continued to pioneer innovative, imaginative development models and to encourage democratic practices at the most basic level.

Over the past year, in fact, the Foundation has enjoyed some well-deserved recognition internationally and within the federal government for its leadership in fostering grassroots participation. The IAF president, for example,



was invited to address mayors and cabinet ministers from across the hemisphere on the potential for development in a decentralized democratic framework. The conference the IAF co-sponsored with the Organization of American States,

"Building Democracy from the Grassroots," won high marks from its audience. And when the General Accounting Office launched its study of the U.S. government's democracy programs, the Inter-American Foundation was the agency the GAO chose to speak with first.

Finally, our new advisory council is an exciting addition to the IAF's knowledge base and a valuable asset to the board. Each of the nine members is an outstanding professional with a solid background of hands-on experience in the hemisphere and a distinguished record of community service. I look forward to listening to them, learning from them and working with them to advance the Foundation's mission.

Frank Yturria
Chair, Board of Directors

President's Report

Most development practitioners agree that one of the keys to sustainable poverty reduction is the involvement of the poor in determining their own priorities and the actions that will improve their quality of life. The process of self-help can be a determining factor in bringing about lasting change in the attitudes, capacity and physical well-being of marginalized populations. Over the past 30 years, the Inter-American Foundation has witnessed the power of participation in overcoming the odds communities face in the quest for a better and more dignified life.

As the authoritarian regimes so prevalent in Latin America and the Caribbean during the 1970s and 1980s gradually gave way to democratic administrations, the self-help effort of poor people contributed to a critical process: democratic practice and governance at the local level. By the mid-1990s, most governments had begun to decentralize various functions and citizens enjoyed the right to elect local authorities. Though still highly tentative and woefully under-funded, decentralization, with its potential for responsiveness and accountability, has nonetheless sparked great interest and hope. The prospect of exercising real influence at the local level has encouraged some leaders of grassroots and nongovernmental organizations (NGOs) to seek office. Others have challenged political candidates to express their views on local issues and, if elected, keep their campaign promises. The vast majority of current IAF grantees, who represent nonprofit organizations, have established some form of coordination or partnership with local governments. Many have extended their reach to include businesses and other nonprofits. Increasingly, such public/private partnerships combined with self-help efforts are building schools,



Photo: Patrick Breslin

health posts and irrigation canals, and are initiating local economic development programs to create jobs and raise income. This, in turn, is helping to bring different sectors of a community together in a common effort to resolve pressing

problems and to help the poor. In addition to securing tangible benefits, such as better health, education and incomes, they are building participation and trust, both vital to a stronger national democracy and a more just and equitable society.

The inextricable linkage between self-help grassroots development and constructing democracy has not always been clear. In the recent past, anti-poverty programs were managed from central government ministries with no regard for either the local context or priorities. With the current emphasis on genuine participation, and not just consultation, a need to rethink the significance of local governance flows into the development assistance process. In a democratic setting, participation and self-help can evolve into genuine empowerment.

Building democracy at the grassroots is a crosscutting theme of most IAF-funded projects. These offer a wide range of approaches to improving people's lives in the priority areas they have selected. Common to most of those approaches is an effort to forge local cooperation, build alliances across sectors, establish ties with the business community, mobilize local resources, improve the capacity of local government, and broaden the list of stakeholders with

equal voices at the negotiating table. Democratic practice is the result when citizens exercise their right to become involved in the decisions and actions that most closely affect them. For the poor, this is not an abstract or theoretical proposition, but a practical, hands-on opportunity to build a better life and learn the values of respect, solidarity and the pursuit of the common good.

This is why the IAF joined forces with the Unit for the Promotion of Democracy of the Organization of American States (OAS) to sponsor, on July 16, 2001, "Building Democracy from the Grassroots," a day-long forum in the Hall of the Americas. The forum brought together policy makers and development practitioners to discuss the proposition that a strong democracy must be built from the bottom up. To provide direct testimony, the IAF facilitated the participation of the major stakeholders in one of its grants in El Salvador. The mayor, the head of a network of community organization, a business leader and an NGO representative each spoke from his own perspective on how the town of Nejapa is building a better future thanks to their decision to join forces to address its problems. Like Nejapa, a growing number of communities throughout Latin America and the Caribbean

are experiencing the benefits of cooperation, empowerment and democratic practice. The efforts of these communities, and thousands like them, hold the key to making democracy work and making poverty reduction a reality.

The IAF is a major player in the United States' effort to help build strong democracies in Latin American and the Caribbean through self-help and the strengthening of democratic institutions. Congress gave the IAF this mission at its founding in 1969. Today it remains not only relevant but fundamental to a prosperous, peaceful and just community of nations in the Western Hemisphere.

David Valenzuela
President

Program Review

The Office of Programs processes, manages and monitors the cash grants through which the Inter-American Foundation carries out its mission of promoting grassroots development in Latin America and the Caribbean. In the 2001 fiscal year, there were 43 new grants and 27 amendments to grants made in previous years, representing a total of \$13.9 million in funding to organizations in 15 different countries.

Identifying the commitment, energy and creative ideas for improving communities falls to IAF's program staff. Our grant cycle begins with an invitation to submit proposals, including via the IAF Web site. During a rigorous review process, usually from February to August, proposals culled from the hundreds received are analyzed for feasibility, cost-effectiveness and appropriateness in the local

context. Critical to the review are site visits by the IAF representatives responsible for the grant portfolio in the respective countries, whose findings are submitted to a team review. Funding for each proposal is contingent upon the team's consensus, the respective U.S. Embassy's determination of compatibility with foreign policy objectives, concurrence by the board of directors, and approval by the relevant congressional oversight committees. These hurdles cleared, the IAF and the successful applicant enter into a grant agreement.

In fiscal 2001, this process distributed funding among five program areas: enterprise development and management, agriculture and food production, education and training, community services, and ecodevelopment.



Photo: Miguel Sandoval

Projects in enterprise development and management, usually income-generating initiatives in partnership with local governments and/or businesses, received 45.4 percent of FY-2001 funding, the major share.

An example of such a partnership, to which the IAF has committed \$370,735 over three years, is the *Servicios Alternativos de Desarrollo in Bolivia* (JATHA) (BO-483). JATHA is collaborating with the municipal governments of Umala and Patacamaya in the department of La Paz; 54 community organizations; ELFA, S.A., the local electrical power company; the Aroma Association of Milk Producers (ASPROLPA); and Pil Andina, Bolivia's largest dairy plant. All the partners will work together to improve the economic and social development potential in the 54 altiplano communities represented. Goals are the electrification of 46 rural communities, including the schools and health posts in four rural centers; the construction and operation of seven milk collection and storage centers serving 175 families affiliated with ASPROLPA; and the installation of an irrigation system to benefit 86 families. Through their community organizations, the project's beneficiaries will contribute their labor to all construction, a feature of altiplano culture that dates back centuries, and will manage economic activities.

JATHA was founded in 1990 as a nonprofit service organization dedicated to helping rural and semi-rural families. Since 1994, it has provided technical assistance to communities in Umala, helping local organizations identify development alternatives, gain access to credit and attract municipal investment in infrastructure. JATHA members are professionals of Aymara descent with roots in Umala and they

are strongly dedicated to its progress. While JATHA emphasizes asset accumulation as its central strategy, it remains attentive to the importance of organization building in the sparsely populated altiplano communities. The challenge for local development in Bolivia is to create productive municipalities. The Bolivian government's National Poverty Reduction Strategy emphasizes creation of opportunities for employment and income, as well as improved education and health services. JATHA's project forges multi-sector partnerships with a common goal: to improve the quality of life of the 54 altiplano communities in Umala and Patacamaya. A previous IAF grant (BO-465 for \$130,000) to JATHA fostered similar partnerships that led to nine irrigation systems, electrification of two communities, and increased production and sale of milk by nearly 100 families.

As a pioneer in grassroots development, the IAF seeks to support projects that produce such real improvements on a local level and also have the potential to offer lessons and inspiration to others. IAF grantees, while targeting poverty reduction, also address issues related to empowerment: literacy, gender and ethnic equality, access to technology, recycling, and environmental management, among others. The remainder of this report summarizes the new projects in the IAF portfolio and profiles selected grantees. In keeping with the theme of building democracy, several relevant excerpts are included from the report by Dr. Ramón Daubón who recently concluded his research on the democratic practices that permeate the IAF's successful development initiatives.

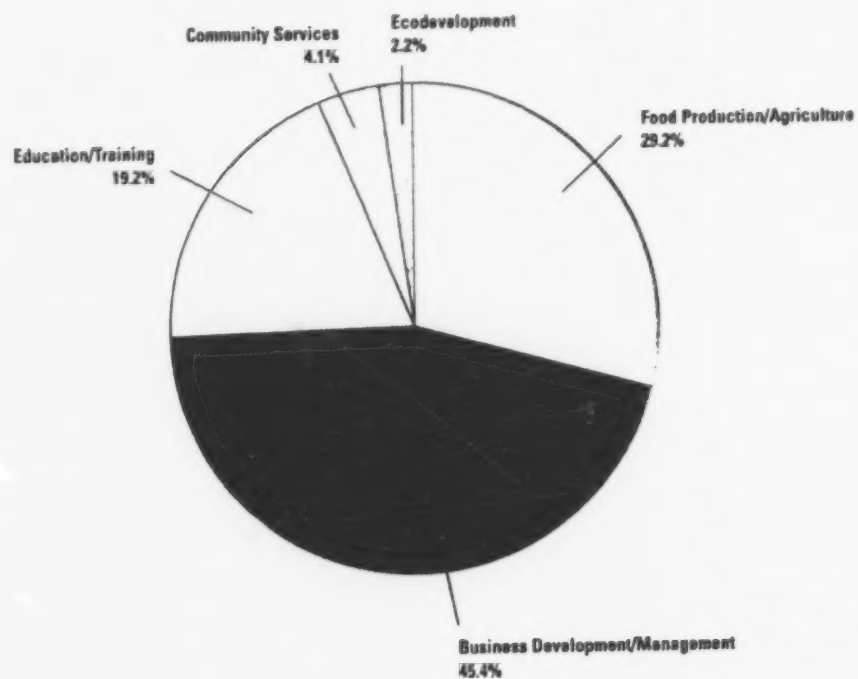
Linda Borst
Vice President for Programs

Foundation Program Profile

Fiscal 2001

Primary Program Area	Number of Grants	Amount (\$000s)*	Percentage
1. Business Development/Management	29	6,292	45.4
2. Food Production/Agriculture	20	\$4,046	29.2
3. Education/Training	16	2,661	19.2
4. Community Services	3	571	4.1
5. Ecodevelopment	2	304	2.2
TOTALS	70	\$13,874	100.0

* Amounts are in thousands of dollars.



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Financial and Statistical Report

Investment by Country

Country	FY 2001			Totals for 1972-2001	
	New Grants	Supplements	Funds*	Grants	Funds*
Anguilla	0	0		1	3
Antigua and Barbuda	0	0		8	507
Argentina	2	1	1,168	210	26,207
Bahamas	0	0		7	144
Barbados	0	0		11	925
Belize	0	0		78	3,959
Bolivia	3	5	1,320	242	30,287
Brazil	6	1	1,474	338	39,872
Chile	0	0		256	42,051
Caribbean Region	0	0		61	6,879
Colombia	0	0		295	38,147
Costa Rica	1	0	85	217	15,148
Dominica	0	0		75	2,282
Dominican Republic	2	1	503	218	21,729
Ecuador	1	2	429	163	22,876
El Salvador	3	3	996	173	24,828
Grenada	0	0		17	540
Guatemala	5	0	1,085	168	24,585
Guyana	0	0		7	294
Haiti	3	0	466	126	13,053
Honduras	2	3	840	149	22,620
Jamaica	0	0		66	3,733
Latin American Region	0	1	27	122	10,440
Mexico	4	4	1,996	311	42,585
Montserrat	0	0		1	3
Netherlands Antilles	0	0		2	126
Nicaragua	2	2	1,209	145	22,787
Panama	3	0	471	189	22,035
Paraguay	0	0		140	17,426
Peru	5	4	1,547	235	38,676
St. Kitts and Nevis	0	0		6	541
St. Lucia	0	0		12	696
St. Vincent	0	0		12	746
Suriname	0	0		3	347
Trinidad and Tobago	0	0		13	842
Turks and Caicos	0	0		2	12
Uruguay	0	0		127	16,623
Venezuela	1	0	258	142	13,450
TOTALS	43	27	13,874	4,348	528,004

* Investment is indicated in thousands of dollars.

Argentina

New Grants

Asociación de Mujeres WARMÍ SAYAJUNQO (WARMÍ), \$969,600 over three years, to expand its micro-credit and enterprise development program. This project will establish 10 new community funds; develop an information system to manage the credit program; create 10 innovative non-traditional micro-enterprises; and train 40 micro-entrepreneurs. As a result, 300 heads of household supporting 6,000 individuals in Abra Pampa, Argentina, will improve their standard of living. (AR-329)

Fundación Leer (LEER), \$454,800 over three years, to promote a community-based literacy and enrichment program for low-income youth in four provinces of southern Argentina through introducing life skills training to disproportionately low-income children; formally establishing community committees to plan, implement and manage the program in 112 schools; building reading corners as community spaces; and mobilizing 13,000 volunteers for program activities. (AR-330)

Supplemental Grants Over \$10,000

Federación de Asociaciones Centros Educativos para la Producción Total (FACEPT), \$343,400 over three years, to expand its local development program (AR-321) by adding 10 new centers, locally known as CEPTs; strengthening relationships with the private sector; creating the Instituto Superior Tecnológico para la Producción Total; and by replicating the program in the provinces of Buenos Aires, Jujuy, Corrientes and Córdoba. As a result 2,000 rural Argentines will improve their standard of living. (AR-321-A2)



Photo: Daniel Cima



Photo: Eduardo Gil

Promoting Literacy in Patagonia

By Audra Jones

Foundation Representative for Argentina, Paraguay and Venezuela

Established in 1997 by a group of business people in Buenos Aires, *Fundación Leer* (LEER), which licenses its name and methodology from the U.S.-based Reading is Fundamental, is an NGO dedicated to encouraging literacy. It operates in areas where reading and education in general are often considered a luxury, rather than essential to future participation in society and the work force. LEER's IAF grant is for its Libro Abierto Program in four southern provinces: Chubut, Río Negro, Neuquén and Santa Cruz.

To date, LEER has given more than 33,000 children in over 60 communities in 18 provinces an opportunity to learn to read and to appreciate learning. Libro Abierto allows children to select books to read at home, particularly in regions where the Argentine government's book distribution program is sparsely implemented. It also promotes communication among teachers, students, parents and community volunteers through their involvement in the design, management and evaluation of their local program. Parents and communities participate in the learning process as well, which encourages continuity. Without this, children from low-income and predominately farming families, given the grave economic conditions many face, would leave school early to work.

Placed in context, the project's volunteer component is especially significant. Voluntarism is a relatively new social value in Argentina and even in countries with a much longer tradition, such as the United States, many volunteers are drawn from among those wealthy enough to afford to donate their time. LEER's 13,000 project volunteers, however, come from the low-income communities LEER serves. Its success and sustainability has in fact depended on this serious commitment.

Through its IAF grant, Libro Abierto will provide literacy training and books to more than 8,500 children deemed high-risk in terms of their economic and social circumstances. It will establish at least 336 "reading corners" as community spaces and will organize community committees with 330 program coordinators trained to plan, implement and manage the program in 112 schools. Finally, it will introduce a life skills curriculum to 2,700 of the most impoverished participating children with the goal of preparing them for the work force.

Bolivia

New Grants

Oficina del Artesano Microempresario (OFAMI), \$282,980 over two years, to provide an integrated program of training, technical assistance and loans to 750 artisans in 250 shops in La Paz and El Alto. Eighteen new consortia of artisan shops will be created to enable individual shops to increase production efficiency through joint efforts toward identifying and filling market niches, demonstrating the effectiveness of coordinated production and marketing as a development strategy for broad replication among the thousands of artisan shops in Bolivia. (BO-481)

Fundación Kechuymara, \$188,550 over three years to work in conjunction with the Association of Men and Women Horticulturists, the communities of Ambana, and the municipality of Carabuco, assisting 350 Aymara families in organic agricultural production, processing and marketing, and microenterprise development. (BO-482)

Servicios Alternativos de Desarrollo (JATHA), \$370,735 over three years, to collaborate with the municipal governments of Umala and Patacamaya (department of La Paz), 54 community organizations, the Light and Power Company (ELFA, S.A.), the Aroma Association of Milk Producers (ASPROLPA), and Pil Andina, Bolivia's largest dairy plant, mobilizing an



Photo: Miguel Sayago

additional \$772,494. The program will provide electrification to 46 rural communities, 46 primary and secondary schools, and health posts in four rural centers; will construct and operate seven milk collection and storage centers serving 175 families affiliated with the ASPROLPA; and will establish an irrigation system for 14 peasant farms. (BO-483)

Supplemental Grants Over \$10,000

Taller de Historia Oral Andina (THOA), \$50,000 over 11 months, to conclude its three-year program to strengthen the participation of indigenous communities in municipal government and local development programs in Umala and Ayata, two predominantly indigenous areas of La Paz department. Two land-titling initiatives will be completed in these areas, and the Consejo Nacional de Ayllus y Markas del Quillasuyo (CONAMAQ) will be assisted in generating a plan to secure title in the departments of La Paz, Oruro, Chuquisaca and Potosí, according to the guidelines of Bolivia's 1996 Agrarian Reform Law. (BO-457-A3)



Inti Raymi Foundation, \$21,100 over 14 months, to undertake an assessment of the participation of civil society—especially small-scale producers in the artisan, mining cooperative, small business and rural enterprise sectors—in Bolivia's National Dialogue aimed at defining the National Poverty Reduction Strategy under the multilateral Highly Indebted Poor Countries Initiative. A final document will be produced and disseminated in print and on the Internet. (BO-461-A9)

Grupo de Asesoramiento Multidisciplinario en Medio Ambiente y Agroecología (GAMMA), \$103,995 over one year, to continue training and technical assistance to 234 families in eight ayllus, or indigenous territories, in the municipality of Choquecota, as part of a program to increase family income from llama production, build the capacity of producer organizations to manage and market llamas and llama products, and strengthen the participation of community



Photo: Jimena Soto

leaders and representatives in municipal development planning and resource allocation. (BO-464-A3)

Centro de Investigaciones de Energía y Población (CIEP), \$113,825 over one year, to continue a training and technical assistance program toward the sustainability of three training and sales centers servicing some 1,300 artisans belonging to the Unión de Ceramistas Aymara y Quechuas de Bolivia and incorporated in local development strategies in the municipalities of Batallas and El Alto. (BO-466-A2)

Centro de Acción Social para el Desarrollo Comunitario (CASDEC), \$189,255 over three years, to assist 370 families and 10 community organizations in the municipality of Tiraque in reversing problems of poverty, environmental degradation and depletion of natural resources through integrated resource management and improved agriculture and livestock production. (BO-469-A2)

Brazil

New Grants

Centro Integrado de Estudos e Programas de Desenvolvimento Sustentável (CIEDS), \$213,100 over two years, to strengthen 25 of the most marginalized communities in Rio de Janeiro by offering technical assistance and training to 200 representatives of 50 community base groups; providing neighborhood base groups with small grants; and strengthening business, local government and civil society partnerships. An estimated 400,000 low-income individuals will benefit from the projects and services financed by this award. (BR-794)

Centro de Articulação de Populações Marginalizadas (CEAP), \$210,685 over three years, to establish a small grants fund for basic infrastructure and programmatic support to low-income community base groups in Rio de Janeiro. The award will finance office equipment, support fund-raising activities, and promote grassroots networks. An estimated 4,500 residents and 950 community leaders will better the local quality of life through improvements to the basic infrastructure of community programs. (BR-795)

Criola, \$171,000 over three years, to improve the quality of life of 50 artisan producers by increasing access to the market, refining the quality of their products, and building their managerial capacity. McKinsey and Company, Inc., and Sebrae are providing consulting and training services. (BR-796)

Viva Rio, \$314,200 over three years, to establish three technology-based business centers, provide technical assistance to six women-headed cooperative business ventures in greater Rio de Janeiro, and evaluate the impact of the business center program through a comprehensive beneficiary-led evaluation process. (BR-798)

Sociedade Afrosergipana de Estudos e Cidadania (SACI), \$362,000 over five years, to establish three income-generating projects for extremely low-income rural

communities in the Brazilian Northeast. Through this project 540 individuals and their families will have access to equipment and technology for income generation from brick production, broom making and artisan crafts. (BR-799)

União de Negros pela Igualdade (UNEGRO), \$182,000 over two years. In collaboration with the São Paulo municipal government and Fundação Palmares, a federal foundation, UNEGRO will develop a community training program for 200 at-risk youths. The program will include courses on leadership and job-readiness, sponsorship of community service projects, and support for income-generating activities. (BR-800)

Supplemental Grants Over \$10,000

Instituto Centro de Vida (ICV), \$20,638 over one year, for a local development project to improve the quality of life of 1,280 low-income individuals on the outskirts of the city of Cuiabá. The additional resources will be used for the purchase of land, security services to protect the land, and transportation costs. Cuiabá's mayor and the Federal University of Cuiabá are contributing toward salaries, operational costs, transportation, marketing and soil testing. (BR-779-A1)



Photo: Sean Sprague

Serving Afro-Brazilians in the Northeast

By Judith Morrison

Foundation Representative for Brazil and Colombia

Sociedade Afrosergipana de Estudos e Cidadania (SACI) is located in Aracajú, the capital of one of the poorest states of the Brazilian Northeast. The extreme poverty of the struggling communities it serves has pushed SACI, founded in 1992 as a cultural organization, to include economic development in its mission. For the past two years, SACI has undertaken development activities in three rural communities within 30 miles of Aracajú's center.

SACI has strong relationships with producer associations, environmental associations and social service groups. Neighboring NGOs with diverse membership and programs consult SACI on fundraising, networking, and project design and implementation. This reach has impressed business leaders. Last year SACI sponsored the first meeting on social investment in Aracajú and it has partnered with the Vale do Rio Doce Corporation on community projects. Because of its focus on the basic needs of low-income people and its collaborative approach, SACI also has a long, successful track record working across political lines with municipal governments representing very diverse constituencies.

Through an IAF grant of \$362,000, SACI will provide 540 individuals and their families in three communities with the equipment and technology to generate income from producing bricks, artisan crafts and brooms.



Photo: Marcelo de Oliveira/Imagem de Terra

Using local experts in construction and design and locally available technology, Massuca, one of these communities, will develop an ecological brick factory to supply the strong local market. By refining the traditional brick-making process, low-income residents hope to replace bricks produced using nonsustainable techniques with a superior product made by using sustainable techniques.

The community of Lazareto will implement an artisan craft production facility and a community center. Located on a narrow portion of land donated to residents who originally occupied it as squatters, Lazareto is composed of households headed by unemployed single females. For a production space, it has a rustic community shed which it will improve to enhance the quality of the products and to enable the craft association to engage in additional development activities. Given Lazareto's extreme poverty, long-term goals bear on income-generating possibilities, but the center will also address residents' health and nutritional needs.

The third community, Parque dos Faróis, will work with youth to adapt a broom-making project. It will purchase a "kit," including adapted machinery and broom materials, from a Brazilian foundation, and will build a structure to house the project. The process, using shredded plastic liter bottles, has been tested in several regions and will be replicated in other areas. When SACI and Parque dos Faróis residents apply this model in Aracajú, they will establish the first broom factory in the Northeast and the first factory in a predominantly Afro-Brazilian community.

A planning activity will integrate the three projects and develop specific recommendations. A careful evaluation and monitoring system will use 32 trained individuals to produce reports and evaluate and improve project design and implementation. From business management courses, association leaders and managers will learn best practices to make the income-generating activities successful. A portion of the project resources will be allocated to marketing the products and advertising the project both to increase the profitability of income-generating activities and to build on successful models.

Costa Rica

New Grant

Asociación del Museo de la Cerámica de San Vicente, \$85,000 over two years. Asociación San Vicente will build a community museum to exhibit and sell handmade indigenous ceramics produced locally. The community museum will protect the cultural and natural patrimony associated with the region's indigenous Chorotegan traditions and improve socioeconomic conditions by increasing the income of artisans and building local capacity to sell ceramics directly to tourists. It will also generate international publicity for San Vicente as a site of artistic and historic interest centered on preservation of indigenous culture. Some 500 artisans, farmers, peasants and youth will benefit from the project's multiple focus. (CR-327)



Photo: Karen Berlowitz



Photo: Karen Berlowitz

Dominican Republic

New Grants

Federación de Caficultores de Jarabacoa y Jánico (FECAJA), \$214,880 over four years, for a loan fund to purchase household solar energy units for 200 families, provide training in organic agriculture development, and establish Internet access for 200 small agricultural producers and their families in the remote mountains outside Jarabacoa. (DR-319)

Junta de Asociaciones Campesinas de Salcedo Inc. (JUNACAS), \$250,750 over four years, to improve organic agriculture, marketing and cooperative stores for 120 farmers and their families in 10 rural mountain communities outside Salcedo. This project will equip a sales office in the city of Salcedo to

enter into purchase agreements for organic coffee, fruit and vegetables with supermarkets, grocery stores and produce companies. (DR-321)

Supplemental Grants over \$10,000

Alianza de Organizaciones No Gubernamentales, Inc., \$37,885 over one year, to facilitate development of partnerships between the private companies and nongovernmental organizations. (DR-300-A2)

Development with a Technical Component

By Carlo Dade

Foundation Representative for the Dominican Republic and Haiti

The *Federación de Caficultores de Jarabacoa y Jánico* (FECAJA) is a small-scale farmers' organization founded in the 1980s. Currently, it has more than 500 members from 28 communities in the mountains outside Jarabacoa, a city at the geographic center of the Dominican Republic. FECAJA primarily works to improve organic coffee production by its members. With an IAF grant of \$214,000, FECAJA will bring them electricity through a loan fund for purchasing solar panels and will raise incomes through more efficient coffee production and the introduction of new organic crops.

Most importantly, this will be the first project that FECAJA will run by itself. In the past, FECAJA has managed small projects in partnership with local organizations, including the Instituto Dominicano de Educación para la Acción Comunitaria (IDEPAC), a former IAF grantee. After years of working with such groups, FECAJA has built up the desire to develop and manage its own projects as well as the capacity to do so. However, because of its isolation, the organization still lacks the tools necessary to administer its own projects—electricity and landed telephone lines. FECAJA members have had to travel for more than an hour to beg and borrow the use of telephones and computers, for accessing the Internet, and to pick up messages.

In its original request to the IAF, FECAJA proposed addressing these needs by establishing an office in Jarabacoa, more an hour away from its base of operations, but the cost would have been prohibitive. The proposal was modified to bring technology (IT) services to the community by renovating the existing office and outfitting it with solar panels to power computers and office equipment. Internet access will be provided through a satellite connection or digital radio, and extensive,

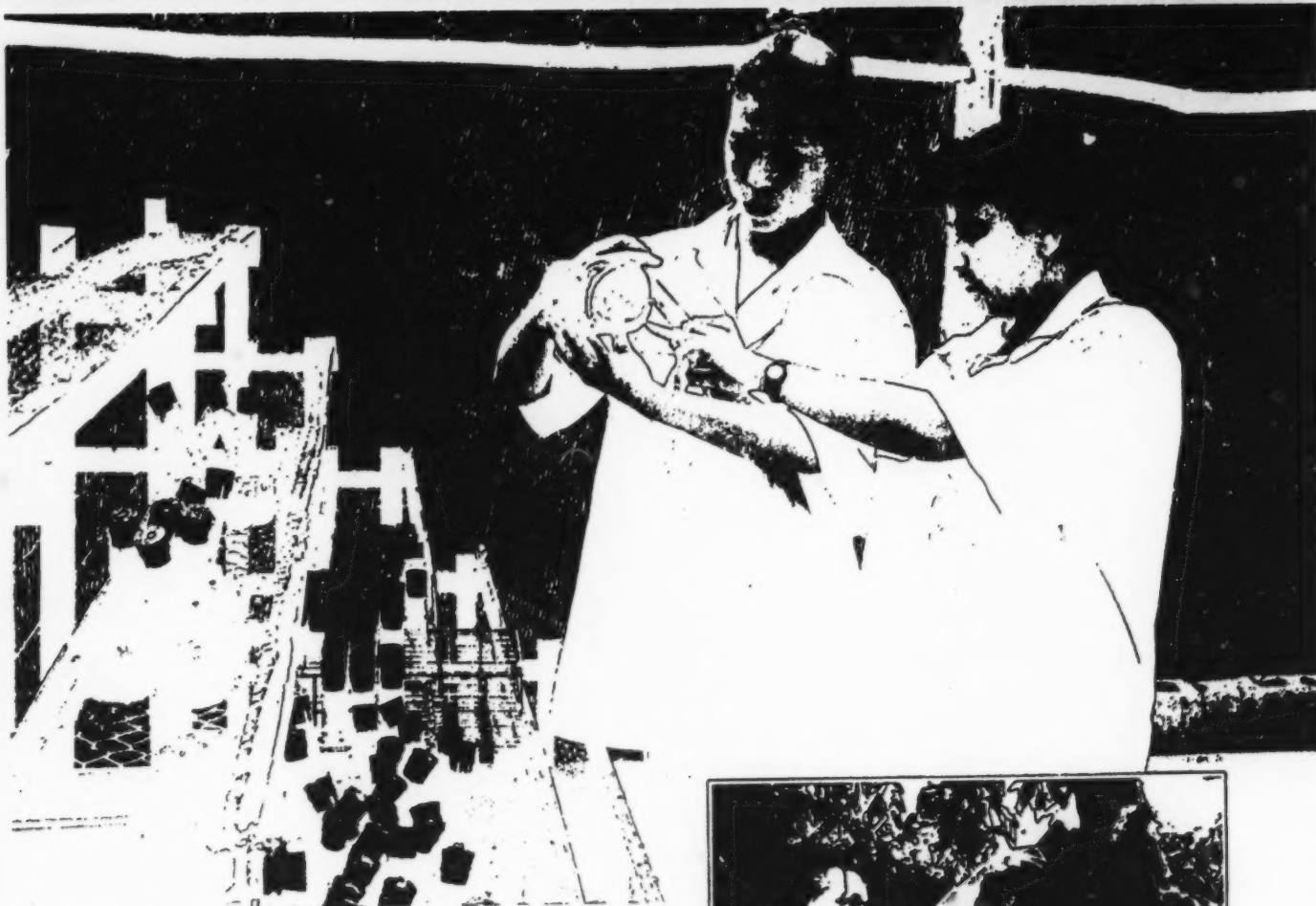


Photo: Sean Sprague

ongoing training will be integrated into project activities. In addition to proving more cost-effective than a second office, the availability of IT to the rural community opens possibilities for uses beyond project administration.

This grant illustrates an effective alternative to the prevailing method of bringing IT to remote, unconnected communities. Rather than introduce IT services as an end in itself, the IAF is including these services as a dimension of its grants to groups such as FECAJA. Often when the technology is introduced for no specific application or in weak association with a vague goal such as improving education or access to information, IT services remain unused or underused and quickly become the latest white elephant. In the IAF's experience, concentrating and focusing the use of IT on a few defined tasks results in more rapid assimilation of the new technology and, with it, the confidence to begin wider application by the organization and its community.

[Early in fiscal 2002, through the Center for Religion, Ethics and Social Policy at Cornell University, Cisco Systems of San José, California, donated to FECAJA 10 access points and eight workgroup bridges, equipment which will be used as part of a digital radio network to connect and provide Internet access to 10 of the participating villages in the Jarabacoa-Jánico vicinity.—C.D.]



Photo: Sean Sprague

Ecuador

New Grants

Consorcio para el Desarrollo de Molleturo, \$225,900 over three years, to establish a management plan for 5,000 hectares (12,350 acres) of forest. Consorcio will provide training, technical assistance, marketing support and equipment to convert 120 local farms to organic production and establish six small-scale enterprises creating 180 new jobs. (EC-378)



Supplemental Grants over \$10,000

Unión de Organizaciones Campesinas de Cotacachi (UNORCAC), \$106,900 for an additional period of three months, to continue, in collaboration with the municipality of Cotacachi, promoting citizen participation in local development in five rural indigenous and Afro-Ecuadorian communities; providing legal assistance to 10 community organizations; extending credit to 180 individuals; training 20 community promoters and 500 individuals in basic literacy skills; and furthering organizational sustainability through the establishment of a textile micro-enterprise. (EC-368-A1)

Fundación Sinchi Sacha, an additional \$96,300 during the third year of its grant. The award will go toward construction of a suspension bridge over the Misahualli River, co-funded by the municipality of Archidona; a series of training activities; and a marketing campaign for the local eco-tourism complex that will directly benefit 480 indigenous families. (EC-371-A1)



Photo: Julio Weiss-Vargas

Partnering in Service to Rural Residents

By Wilbur Wright

Foundation Representative for Ecuador and Peru

Decentralization of government services is taking root on the remote mountain slopes of southern Ecuador. In the parish of Molleturo, an economically depressed rural district in the canton of Cuenca, five local nongovernmental organizations have taken on tasks often identified as government services. Through a three-year grant for \$225,900 from the Inter-American Foundation, the five NGO partners in the *Consortio para el Desarrollo de Molleturo* will undertake vocational training, agricultural extension services, economic development support, forest management and land use planning—services involving the direct participation of 900 area families and indirectly benefiting the 11,000 parish residents.

The five partners in the *Consortio* are three broad-based grassroots groups, the popularly-elected parish board and a local technical support organization. Each partner brings an important perspective to the leadership of the concerted initiative, adding to the group's ability to represent all the social and economic interests of the locality. Advocates for economic development and job creation join with environmentalists and soil conservationists to discuss, plan and implement development strategies calling for both new income opportunities and the preservation of the community's natural resources.

The first task of the *Consortio* is to prepare development plans that will address concerns of local residents. Jobs will be created through the introduction of sustainable small-scale enterprises that will process only renewable resources from the area's forests and the harvests of local farms utilizing organic practices. Forested areas will be inventoried and designated managed reserves so that they continue to provide resources. Local farms will be converted to organic production; this will renew soil fertility and enhance the nutritional and economic value of the harvests. These steps will generate 180 new jobs and enable 120 farmers to revitalize their farms.

The *Consortio* demonstrates the capacity of even marginalized groups to participate actively in the decentralization process and assume the responsibilities that go with it.

Cover Profile:

[In 1997, the Inter-American Foundation awarded the *Comité de Desarrollo Local de Guamote* (EC-364) \$280,000 to conduct a variety of income-generating and vocational training activities in a predominantly indigenous region of the Ecuadorian highlands. In 2001, the grant period was extended at no cost to allow for completion of the project. Mariano Curicama, who appears in the cover photo and is referred to below, currently serves as Ecuador's vice minister of social welfare.—Ed.]

Cultural Adaptability at the Foot of Chimborazo

By Ramón Daubón

Southern Chimborazo province is deceptively beautiful. Its quiltwork hillsides of varying pastel patches belie the dryness of the soil; the steep slopes should be forested, not farmed. The region spilling southeast from the Andean plateau into the Amazon lowlands is among the poorest in Ecuador. Guamote, the urban heart of southern Chimborazo, is 97 percent Quichua-speaking indigenous.

The land reform movements of the 1980s transferred the land in unproductively small units left bereft of supporting technical services and agricultural credit. Amid the stunning beauty of snow-capped volcanoes and mountain peaks, Guamote barely survives. Nine years ago, however, Guamote began a dramatic transformation. Long unnoticed and considered insignificant, Guamote is now the focus of international attention due to a quiet revolution in local governance. The final outcome might be still uncertain, but Guamote will never be the same.

Ecuador has been distinguished since the 1970s for its dynamic indigenous movement. While unremarkable for its economic accomplishments, the movement set off a revolution in governance that is only now having national implications. Near Guamote, Mariano Curicama, while a young boy, worked as an indentured laborer in the Totorillas hacienda. When the owners abandoned the unproductive hacienda after land reform became effective,



Photo: Miguel Serego

Curicama obtained technical agrarian training and became active in the indigenous movement. Sensing power lay in working within the system, Curicama rallied the newly enfranchised Indian majority of Guamote and ran successfully for councilman, alternate national deputy and, in 1992, mayor of Guamote. He stepped down in 2000, but his successor and the entire city council are all Quichua. Additionally, substantial local power had been transferred to the region's Indigenous Parliament, a model body recognized under Ecuadorian law. In Guamote, the Parliament is composed of representatives of 153 rural and urban communities with a population of some 33,000, and its sphere of action has evolved beyond its originally envisioned advisory role.

In effect, the Parliament, initially led by Curicama, has designed a tripartite governance structure that includes the established municipal government as its executive body, the

Parliament itself as its legislative and oversight body, and a newly created Comité de Desarrollo Local de Guamote [Committee for the Development of Guamote] as its economic engine. The Comité is composed of the elected leaders of the 11 second-level regional organizations (whose constituents are all represented in the Parliament) plus the mayor.

The enormously creative scheme allows first of all for the legitimacy of the elected municipality and—through it—access to devolved national resources under Ecuador's program of decentralization. Secondly, it gives a grassroots organization daily oversight of public life and the handling of public funds, a critical function. Finally, it puts the innovative part of public policy, the new development projects, in the hands of the agile yet representative Comité, a locally-spawned NGO independently dealing with donor agencies yet accountable to the governance structure.

Development happens slowly, particularly at such basic levels, but in Guamote after nine years the immediate economic results alone are impressive. The Comité has engineered projects in forest and hillside conservation with local farmers. It is transforming the Totorillas plantation house (donated in ruins by the Ecuadorian government) into a residential agricultural training center and demonstration farm. It offers a program of managerial and agricultural courses and workshops as well as technical assistance in forest management, fish farming, organic recycling and composting, and milling and processing. Its hillside reforestation campaign covering 440 hectares (1,086.8 acres) of communal lands has planted 3 million seedlings from the Totorillas farm, 400 kilometers of forested roadside borders and wind-breakers, and more than 250 hectares (617.5 acres) of exploitable communal forests. And its profitable business operations in milling, fish farms and organic fertilizer are eventually expected to finance the other operations.

Still, Guamote's stellar accomplishments are political. The Parliament built a mystique around traditional indigenous symbols and organization but used them as catalysts for a dynamic process, which was, from the beginning, expected to generate new symbolism and relationships. The triad formed by the Parliament, the Comité and the municipal government has internalized and managed a tension between conservatives and progressives in the Quichua communities regarding the incorporation of women and young people in its governing bodies. While the Parliament seems to remain more traditional in its composition, the Comité has led the charge for more diverse governance, within itself, in the municipal governing bodies and subsequently in the Parliament. Quichua, the principal language in the community, is taught in schools together with Spanish which is almost universally understood.

Even more interestingly, perhaps, the triad explicitly operates as ethnic Quichuas but under the nation of Ecuador, which it defines as multiracial with a Quichua majority. This has great political significance for Guamote's relations with the national government, particularly as its fame and influence spread to other heavily indigenous areas of Ecuador. The Guamote experience was convened by a Quichua leadership with a vision so open and accommodating that it survived its initial years while at the same time introducing important cultural changes in terms of power relations. Perhaps the most impressive accomplishment of the program is the formulation of a heavily discussed 13-year plan. While its elements can be debated, the fact the plan is taken so seriously is impressive, particularly for a poverty-stricken population more typically concerned with daily survival. Guamote's principal wealth now is a sense of having a future.

From All of the Voices

El Salvador

New Grants

Agencia de Desarrollo Micro-Regional de los Municipios de Ilopango, Soyapango y San Martín (ADEMISS), \$275,600 over three years. ADEMISS will organize training and technical assistance programs to establish five 20-person fishing cooperatives and five fish farms along Lake Soyapango. The cooperatives will develop a profitable marketing strategy and initiate activities to protect the ecology of the lake. (ES-199)



Photo: Sean Sprague

Fundación Hermano Mercedes Ruiz de El Salvador (FUNDAHMER), \$145,850 over three years, to organize training and technical assistance programs designed to consolidate and strengthen eight permaculture committees, establish eight new committees, and train some 300 small-scale farmers in all aspects of permaculture, a proven system for the successful and profitable cultivation of the limited land available to them. (ES-200)

Fundación para el Fomento de Empresas para la Recolección y Tratamiento Ambiental de los Desechos Sólidos (ABA), \$283,250 over three years, to create employment and provide an alternative management system for solid waste activities in the poorer neighborhoods of the municipalities of San Salvador, Ilopango and Mejicanos. This project will strengthen ABA recycling cooperatives, create six school-centered and two micro-regional ecological groups, construct a recycling center for inorganic waste, and implement reforestation and other conservation activities in Ilopango communities, directly benefiting 125 members of five recycling cooperatives, 500 families in Ilopango and 180 participating students. (ES-201)

Supplemental Grants over \$10,000

Fundación para el Desarrollo Económico y Social de Centroamérica (FUNDESCA), \$274,893 over three years, to mobilize \$200,000 in matching international credit resources, establish 30 additional credit funds, and organize and implement related administrative training and technical assistance programs that will allow some 1,050 street vendors in San Salvador's markets to increase and upgrade their commercial activities, improve their administrative capacity, and access health services and day care. (ES-186-A3)

Sociedad Cooperativa de Empresas Agropecuarias de los Municipios de Jocoro, Corinto, Divisadero y Sociedad (JOCODIS), \$11,750, to complement insurance proceeds toward replacing a four-wheel-drive pickup stolen at gunpoint. (ES-190-A1)



Photo: Kathryn Smith Pyle

Improving Communities through Recycling

By Kathryn Smith Pyle

Foundation Representative for El Salvador

Fundación para el Fomento de Empresas para la Recolección y Tratamiento Ambiental de los Desechos Sólidos (ABA), a Salvadoran nongovernmental organization, is tackling one of the most vexing municipal issues—waste management—through an innovative recycling and community-organizing program. Starting with a small pilot venture with the mayor of San Salvador two years ago, ABA has helped low-income residents improve the appearance and health of their communities through an economic development project with environmental impact.

In partnership with the contiguous municipal governments of San Salvador, Mejicanos and Ilopango, ABA has established five trash collection cooperatives which are now profitably processing and selling both organic and inorganic waste. Boxes from supermarkets are cleaned, processed and packaged, either flat or shredded into pieces, for businesses that recycle the material into new products. Organic waste, collected from vendors at the local open-air market, is composted at a center established on municipal land, then sold back to community gardeners as soil-enriching material. Fabric remnants collected from garment factories are sewn into floor mops, dolls and quilts for resale. The project created 125 new jobs for the cooperative members, all residents of the communities where unemployment reaches 40 percent. Nearly 23,000 families in 147 neighborhoods now participate in the trash separation program, an initiative that saves the municipal governments about \$14,000 per month.

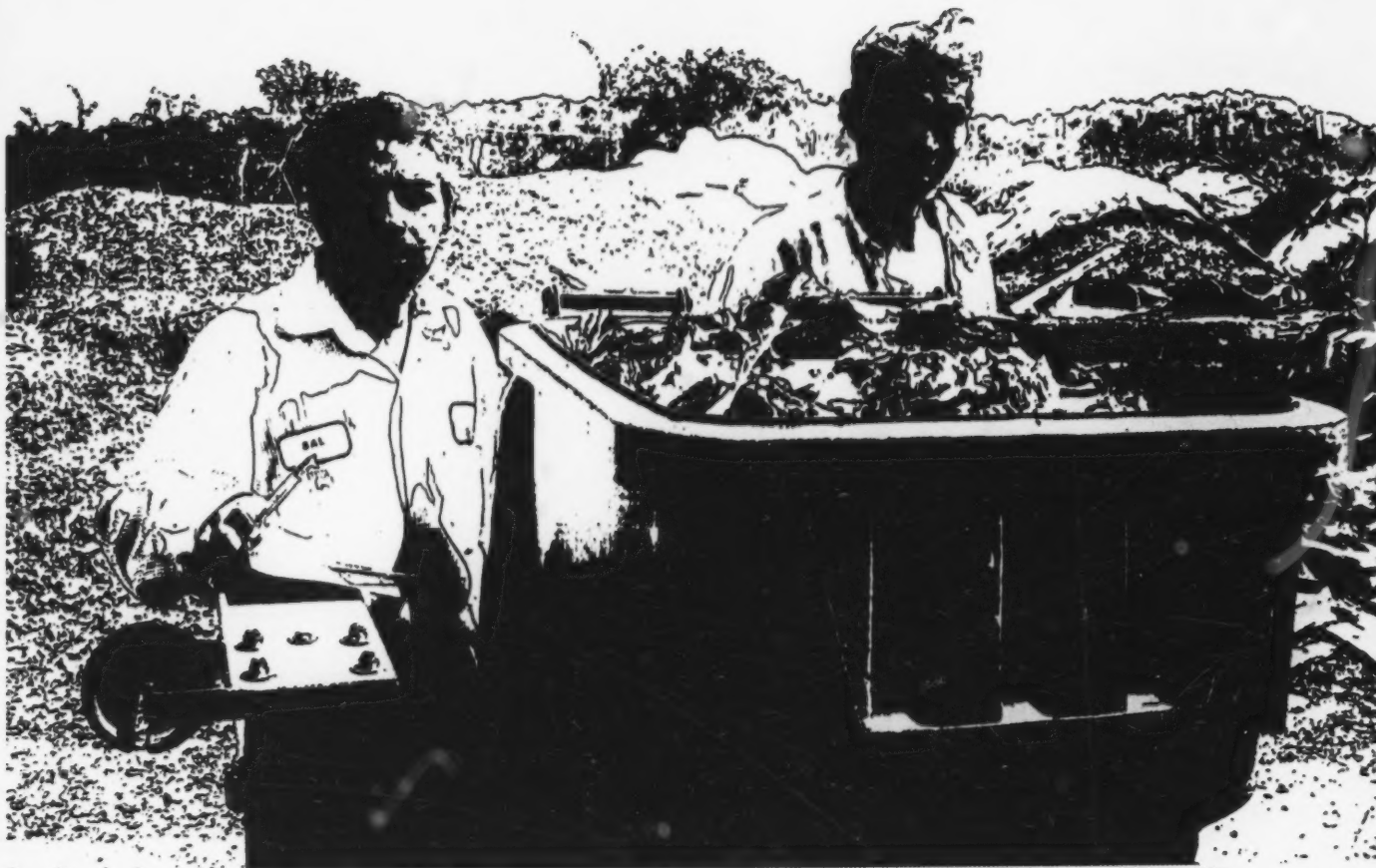


Photo: Kathryn Smith Pyle

With a \$283,000 grant from the IAF, ABA will continue to provide technical assistance to these cooperatives and help them purchase better processing equipment in order to increase the amount recycled—to an estimated 50 tons of plastic, 10 tons of glass, 100 tons of cardboard, 25 tons of aluminum and 50 tons of paper per year. In addition to their existing municipal contracts for separated trash collection in residential neighborhoods and the food market, the cooperatives expect to secure new contracts with manufacturing and other businesses. ABA will reach 180 children through a school-based environmental education program and will form two micro-regional ecology groups. A reforestation project in Ilopango will help restore the environment with 2,000 native trees. And, finally, a pilot project to eliminate an illegal garbage dump in one neighborhood will be directed by a committee of representatives from the municipal government, the community and a local vocational school. More than 250 families, including a temporary settlement of earthquake victims, will be targeted in educational programs to establish a proper trash collection program.

Guatemala

New Grants

Coordinadora de Asociaciones de Desarrollo Integral del Suroccidente de Guatemala (CADISOGUA), \$300,000 over three years. In coordination with two of its member organizations, CADISOGUA will carry out an integrated program of credit, training, technical assistance and marketing alliances with local companies. As a result of the project, CADISOGUA will increase the income of 900 of its members and the organizational capacity of 11 of its regional associations and 50 community-level development committees. (GT-266)

Asociación Consejo de Mujeres Mayas de Desarrollo Integral (CMM), \$160,025 over four years, to assist nine low-income rural communities around San Cristóbal, Totonicapán, in improving health conditions. Focusing on the special problems faced by

women and small children, CMM will prepare more than 145 volunteer community health trainers, 30 midwives and 10 community pharmacy managers in preventive health care and training methodologies. The community volunteers will teach basic health practices to approximately 19,000 residents of the nine communities and help increase their access to health services. (GT-267)

Asociación Femenina para el Desarrollo de Sacatepéquez (AFEDES), \$199,132 over three years, to improve the income and health of 405 low-income women, increase the leadership capacity of 150 women, and strengthen six community organizations through a program of training, small loans, agricultural and small business development, and regular meetings. (GT-268)

Asociación Primero de Septiembre (APS), \$180,000 over four years, to establish a loan fund for 450 elderly beneficiaries, administered in partnership with the Retalhuleu branch of the Banco del Nor-Oriente (BANORO), and provide training to enable APS members to establish and improve profitable micro-enterprises. The APS membership will increase the loan fund so that similar opportunities become available to others. (GT-269)

Asociación para el Desarrollo Integral San Antonio Ilotenango El Quiché (ADISA), \$245,445 over three years, to provide training, technical assistance and small loans to 150 small-scale farmers in six communities in Quiché's municipality of San Antonio Ilotenango: Chuichop, Chocojá, Patzalá, Chijaj, Chotacaj and Chujip. The project will increase residents' income, improve their health and strengthen natural resources by diversifying local agriculture, identifying better markets, expanding their diets, and protecting local soils and watersheds through the introduction of organic agricultural methods and the promotion of new fruit and wood trees. (GT-270)





Photo: Jim Adriance

Empowering Indigenous Women in the Highlands

By Jim Adriance

Foundation Representative for Guatemala

Meeting an energetic, organized group of indigenous women in Guatemala's rural highlands is something like meeting the winner of a triathlon—you can hardly imagine how they did it. Most rural women in Guatemala face endless obstacles, including the daily privations of rural Guatemalan life: cold climate, no running water, dusty roads, inadequate schools, abysmal healthcare, no employment opportunities, little loan capital and insufficient government services. On top of confronting those challenges, most rural women rise by 3 a.m., cook as plumes of kitchen smoke sting their eyes and fill their lungs, feed the family, wash the laundry by hand, and care for four to eight children, among other tasks.

Some still find the time, energy and enthusiasm to run a small business and participate in a community organization, the *Asociación Femenina para el Desarrollo de Sacatepéquez* (AFEDES). In fact, AFEDES' proposal is exciting, because of all that its members overcame to develop it. As an organization, AFEDES took root in the early 1990's, thanks to training and projects supported by the nearby Cooperativa Unión de Cuatro Pinos and aimed at the wives and daughters of its small farmer members. From 1992 to 2000, AFEDES sought and received training and small grants and loans from a variety of sources. With this assistance its members have developed small businesses in weaving, agriculture and livestock. They have also improved their health through education and health care services. By 2001 AFEDES' membership had grown to 135 women from five communities near the city of Santiago Sacatepéquez, 30 kilometers west of Guatemala City. It had amassed



Photo: Jim Adrians

almost \$30,000 in working capital to lend to members. Interest on these loans pays for a small staff. AFEDES is governed by a board of directors consisting of one or two representatives elected by each member community for two-year terms. The general assembly votes on important issues affecting the membership.

With an IAF grant of \$199,132 over three years, AFEDES will make loans worth \$100 to \$500 to individual members and small associations of members (i.e., community banks) to develop small-scale businesses in agriculture, livestock, textiles, artisan crafts and other economically feasible areas. Loan terms will range from six months to two years depending on the activity. AFEDES will also provide training in technical aspects of the loan activities, as well as in marketing, business management, organization, leadership development, health and literacy. It hopes to increase its membership to 405 women over the life of the project.

In addition to IAF support, AFEDES will contribute almost \$44,000 in counterpart funds. Two businesses in Santiago Sacatepéquez, Bejo Saden y DISAGRO, will provide technical assistance and agricultural inputs at reduced rates and will help AFEDES members in marketing their products by facilitating connections with local buyers, support valued at \$5,000. The municipal government of Sacatepéquez will assist with required permits and possibly a small loan from a municipal agricultural development fund to be established. AFEDES will also receive critical training, small loans and general guidance from several grassroots organizations in the area, such as Fundación para el Desarrollo y Fortalecimiento de las Organizaciones de Base (FUNDEBASE), Consejo Técnico Operativo (CTO), Serjus, and the Fundación Uleu, assistance valued at \$9,000.

Haiti

New Grants

SEMENCE, Haïti, \$300,000 over three years, to establish a fund to finance training in business planning and management as well as technical assistance in conjunction with SEMENCE's loans for productive enterprises owned and operated by cooperatives and other groups of organized poor. (HA-193)

Association National des Scouts d'Haïti (ANSH), \$100,300 for two years, to train Scouts for employment and to strengthen links between ANSH and the private sector. ANSH will establish a training program in printing, computers and solar energy for approximately 150 Scouts from all departments of Haiti, resulting in the creation of more than 40 jobs and the development of small businesses run by the trained Scouts. (HA-195)

Organizasyon Defans dwa Peyizan Sen Michel (ODDEPS), \$65,565 over three years, in conjunction with local government and the private sector, for sugar cane replanting and installation of 14 low-tech mobile sugar cane mills to benefit 250 small-scale farmers. (HA-197)



Photo: Richard A. Foster



Photo: Sean Sprague

Increasing Access to Capital

By Carlo Dade

Foundation Representative for the Dominican Republic and Haiti

SEMENCE, Haiti is the Haitian partner to SEED, the Haiti Community Loan Fund, a U.S. operation that raises money in U.S. capital markets to lend to small-scale peasant cooperatives and productive enterprises owned and operated by the poor in Haiti. Since 1999, SEMENCE has lent more than \$400,000 to more than a dozen such organizations. With a grant of \$300,000 from the IAF, SEMENCE has established a technical assistance fund to provide basic business skills training, organizational development, technology acquisition and other services its loan applicants require. This technical assistance fund allows SEMENCE to concentrate its resources on lending, which facilitates the work of SEED in raising capital in the U.S.

As in most of the region, business financing in Haiti is focused either toward large companies or micro-enterprises. However, capital and technical assistance for small- and medium-sized enterprises is perhaps even more important than financing for micro-enterprise in providing an exit from poverty for greater numbers of Haitians. Until recently, the poor could only obtain micro-loans for micro-enterprises with limited prospects for viability and no prospects for growth.

From an economic perspective, this pattern of lending eliminated a crucial source of dynamism. From a socioeconomic perspective, it curtailed participation by a large segment of the population. People participate in society through politics, through voluntary associations and through economic activity, not just as workers but also as business owners. Where the possibilities for political and voluntary association are limited, such as in Haiti, the ability to participate economically takes on vital importance. For the poor, it offers the only means of controlling their destiny.

The IAF has sought to democratize capitalism in Haiti by supporting strong, vibrant and sustainable participation by the poor in the Haitian economy. The IAF grant to SEMENCE is the latest in a series of awards that began with funding for savings and loan cooperatives (Sere Pou Chofe HA-178) and continued with funding to channel remittances toward productive lending (Haitian Development Bank HA-190). This most recent grant adds access to U.S. capital markets, a source of financing that dwarfs development assistance and one offering greater potential for the establishment of productive enterprises by the organized poor in Haiti.

Honduras

New Grants

Organización de Desarrollo Étnica Comunitaria (ODECO), \$70,841 over ten months, to provide support for community mapping exercises and related formulation of local development plans among 200 participants from 11 communities in Nicaragua, Belize, Guatemala, Panama and Honduras. ODECO sent 50 of these participants to a conference on Afro-American development in La Ceiba, Honduras, where they presented their plans to professionals and representatives from other Afro-American communities for possible technical assistance and funding. In addition, the grant covered travel and per diem for three Afro-Latinos to attend the NGO Forum of the World Conference Against Racism, Racial Discrimination, Xenophobia, and Forms of Intolerance held in Durban, South Africa, in 2001. (HO-234 and HO-234-A1)

Proyecto Alden Global (PAG), \$417,769 over three years, to implement the "improved traditional farm model," a diversified system for sustainable agricultural production as a source of food and income for 380 farm families. The model farm combines basic grain production, orchards, livestock, small animals, and improved forestry and water management activities. PAG will provide technical assistance and training on selected farm sites to 100 women producers. It will also provide small animals to raise as an additional source of food and income, strengthening the women's role in the small farm economy and this community in the context of Honduras' current food crisis. More than 1,500 low-income people will benefit. (HO-235)

Supplemental Grants over \$10,000

Fundación para el Desarrollo de las Comunidades Cafeteras de Honduras (FUNBANHCAFE), \$342,455 over three years, to work on consumer store and organic coffee development in partnership with the Consejos Comunales; the RED COMAL; RAOS, the organic farmers association; and the environmental offices of local municipal governments of San José, Santa María, Santiago Puringla, San Pedro Tutle, Chinacla and Marcala. While international price of coffee has generally collapsed, the organic coffee market still allows farmers to cover costs and make a small profit. FUNBANHCAFE will assist the



Photo: Jim Adair

transition to organic coffee technology and facilitate the international marketing of organic coffee to benefit 260 small farmers. Through technical assistance and credit, FUNBANHCAFE will also enable 345 individuals from 26 communities to own and manage agricultural marketing centers and community stores selling basic consumer goods. (HO-222-A5)

Mexico

New Grants

Investigación y Educación Popular Autogestiva, A.C. (IEPAAC), \$359,000 over three years. IEPAAC, in partnership with two corporations, la Red Comunitaria Huun Much Kaabilo Ku Meyajob, S.C. de R.L., and la Caja Comunal de Sihó (both associations of participating community groups), will establish revolving loan funds to support agricultural and micro-enterprise production. This project will also expand environmentally sustainable practices, increase income, and establish community stores to benefit approximately 1,080 low-income people in rural Mayan communities in Campeche and Yucatán. (ME-443)

Colegio de Biólogos del Sistema Tecnológico, A.C. (COBIOTEC), \$297,000 over three years. COBIOTEC will establish a technical assistance and training program for 80 rural producers in methods applicable to Mayan organic forest gardens, management of community businesses and loan procedures. In partnership with local businesses and governments, 400 low-income people in rural Mayan communities in Quintana Roo will expand forest gardens, strengthen producer organizations, improve family food and nutrition, and increase household incomes. (ME-445)

Fundación de Apoyo Infantil Guanajuato, A.C. (FAI Guanajuato), \$445,000 over three years. FAI Guanajuato, in association with businesses and local governments, will benefit 8,680 people, primarily mothers, children and their elderly relatives, who live in extreme poverty in 63 participating communities in the isolated municipalities of Xichú, Tierra Blanca and Atarjea, Guanajuato, by increasing their food supply and improving nutrition through better use of remittances, totaling more than \$290,000, from migrant family members working in the United States. (ME-446)

Unión Nacional de Museos Comunitarios y Ecomuseos, A.C. (Unión Nacional), \$204,280 over three years, to strengthen the grassroots development role of community museums in 15 Mexican states, especially in supporting the development of artisan crafts



Photo: Patrick Breslin

(weaving, ceramics, embroidery, jewelry-making, woodcarving and fashioning assorted handmade children's toys) in indigenous and peasant communities. The Unión Nacional will create community museum stores; organize artisan fairs, exhibits and workshops; and conduct training in fundraising, strategic planning and leadership development. (ME-447)



Photo: Patrick Breslin

Supplemental Grants Over \$10,000

Acción Ciudadana para la Educación, la Democracia y el Desarrollo, A.C. (ACCEDDE), \$286,000 over three years. Working in 10 municipalities in rural Jalisco, ACCEDDE will further strengthen the capacity of community organizations and municipal authorities to jointly plan, mobilize resources and promote collaboration that will improve economic and social conditions in these communities. Additionally, ACCEDDE will provide credit and marketing services to 4,500 agricultural producers and their 120 producer organizations. (ME-407-A1)

Fundación Comunitaria Oaxaca (FUNCOM), \$200,000 over two years. The award supports a matching grant fund for grassroots community programs working to improve the quality of life for more than 20,000 low-income people by mobilizing \$50,000 from Oaxaca's private sector; raising \$159,000 from FUNCOM and public and international sources; and strengthening FUNCOM's progressive approach in fostering intersectoral development through active, committed participation by government, business and local communities. (ME-415-A1)



Photo: Patrick Breslin

Fundación para la Productividad en el Campo, A.C. (APOYO), \$200,000 over two years. This award further supports APOYO's innovative models that provide credit to 5,200 low-income rural producers. APOYO will mobilize financial contributions (including \$200,000 in remittances) from Mexican-Americans for agricultural production projects in their communities of origin. Expanding income-generating opportunities in poor communities in Mexican states with the highest migration rates should reduce the flow of migrants to the United States. (ME-431-A2) In addition, APOYO used \$4,945 in supplemental funds to send four representatives to an IAF-sponsored conference on the use of remittances for local development in the Latin American and Caribbean region, held March 19, 2001, in Washington, D.C. (ME-431-A3)



CONSEJO DEMOCRATICO MUNICIPAL DE CUQUIO JAL



Photo: Bob Sogge

Cuquio: Partnership in the Land of Toads

By Ramón Daubón

Cuquio is an hour's easy and spectacular ride from Guadalajara, down one side of a canyon that splits the Mexican plateau and up the other. In the Tarasco language of western Mexico, cuquio means "land of toads." Long before the Spaniards arrived in the early 16th century, a settlement by that name existed on the plain that to this day turns to swamp in the rainy season.

Acción Ciudadana para la Educación, la Democracia y el Desarrollo, A.C., (ACCEDDE) has worked in Cuquio since 1995. The Guadalajara-based service intermediary emerged in 1988 from within an interdisciplinary team at a local Jesuit technical university, the Instituto Tecnológico de Estudios Superiores del Occidente, in search of greater freedom to deal directly with its beneficiary communities. Since then, ACCEDDE has facilitated partnerships among municipalities and associations of small producers, women and peasants. It trains both sides of the partnership, thus easing the burden on municipal governments to provide services while giving the civic associations new opportunities for action.

The IAF's original 1998 grant enabled ACCEDDE to reach 124,000 beneficiaries through policy help, technical and managerial training, agricultural technical assistance, a youth program, organizational support, and credit extended through an Alternative System for Rural Finance (SIFRA), which leveraged IAF's resources tenfold initially, and eventually to \$10 million. Additionally, ACCEDDE encourages the grassroots organizations under its umbrella to formulate development initiatives in a framework of democratic participation. Of the communities served by ACCEDDE, Cuquio has developed a particularly effective process.

ACCEDDE has assisted the formation of 27 rural production associations as well as facilitated agricultural loans, technical assistance, crop insurance, marketing support and a project for processing cornmeal. Delegates from the 27 associations meet monthly with ACCEDDE to deal with immediate issues and plan strategy. Another group of citizens meeting in 1993 under the auspices of the Catholic parish and at the urging of the newly elected major convened a citizens' consultative council to work with local government. In 1994 it formally incorporated as the Municipal Democratic Council of Cuquío (CODEMUC), pictured on page 38, with 10 regional councils, each elected locally, the heads of which comprise the board of directors. ACCEDDE provides direct advisory services to CODEMUC.

The CODEMUC board meets monthly to address municipal issues brought up by the 10 local councils. The regional council members plus representatives of various productive sectors meet in plenary session every other month to discuss and ratify the board's decisions. State and federal authorities attend these meetings but do not vote. By agreement, 60 percent of the municipal budget is spent according to CODEMUC's priorities and the remainder is for the city government's initiatives. Also by agreement, however, citizens must match with cash or in-kind contributions 25 percent of the budget for every initiative CODEMUC proposes. Since 1993, former CODEMUC officials have often been elected to the city council and vice versa. The two organizations, however, retain strictly defined operating lines and a healthy level of institutional rivalry.

ACCEDDE's work with the Independent Peasants' Organizations (OCIJ) led some cooperative officials to join the new citizen councils under CODEMUC as soon as it was incorporated. This prompted awareness within OCIJ of the need to coordinate with municipal authorities the implementation of new national policies, especially those affecting the availability of credit. OCIJ thus became the third leg of Cuquío's governance triad, offering it a profoundly operative viewpoint along with the legitimacy of representing the municipality's rural majority.

Throughout, ACCEDDE has remained available to the three segments of the triad as a technical and policy advisor and as an intermediary with state and national agencies. It assists all three with the participatory diagnoses of community issues and with strategic planning, given the alternative scenarios identified. And it continues to provide courses on participation and citizen organization to complement the technical discussions. Cuquío therefore presents a multi-track process in which independent convenings occur within (a) city hall, (b) a citizens' group and (c) a peasants' organization. ACCEDDE has served as a facilitator to all three but has catalyzed only the formation of the peasant organization. The other two legs of the triad formed autonomously. Once established, though, the civic group was fortified by an influx of members representative of other constituencies. ACCEDDE then helped bring it all together.

Absent still from the conversation are the voices of two indigenous communities residing nearby. For several generations the two have been engaged in a blood feud with residents of the town, stemming from the Indians' historical grievances and the death of a townsman late in the 19th century during one of the many rock throwing battles in which both sides frequently engaged. There is no indication this will be resolved in the near future.

Other divisions have been worked through. The peasant organization was from the start oriented to action. The civic organization, in contrast, began as a deliberative space. Since joining

the triad, however, the peasant association has internalized the need to deliberate to identify the community's priority issues before proposing courses of action, while the citizen's group now couches all its deliberations in terms of specific possible actions. These procedures have become routine.

The system works. Besides the successful agricultural and related production projects carried out with ACCEDDE support and the infrastructure projects put in place in coordination with the municipal government, the partnership is engaged in a long-term planning strategy for a new vision of the town. Cuquío has a privileged location with natural beauty, good weather, clean mountain air and a system of natural springs, not far from Guadalajara's urban concentration of more than 6 million. The town's rich history is visible in four colonial churches and other buildings, all handsome if in need of restoration. The citizens' committee, the city government and the peasants' association have all agreed to explore the possibilities of promoting weekend tourism from Guadalajara as a long-term complement to ongoing economic activities.

Clearly Cuquío has come very far in assembling a civic infrastructure for sustainable development. People speak comfortably about the difficulty and the responsibility of dealing with public issues as citizens. The town has yet to deal with the underlying distrust of public institutions prevalent throughout Mexico. Closer to home, it has yet to face its ethnic problem, which is alluded to only in humor; and address deeper issues of class and privilege. Still, Cuquío's participatory process should be considered a model to be documented and disseminated.

From All of the Voices



Central plaza,
Cuquío, Mexico.

Photo: Ramón Dávalos

Nicaragua

New Grants

Corporación de Desarrollo Económico Local (CODELSA), \$303,000 over four years, to promote and implement sustainable local development in the municipalities of Telica and Quezalguaque, department of León. In partnership with the local government of each municipality, CODELSA will operate a revolving loan fund and build capacity for local small-scale agriculture, benefiting 800 people. (NC-241)

Instituto de Promoción Humana (INPRHU), \$349,146 over three years. INPRHU will provide training and technical assistance in agroecology, agro-forestry and organizational development for nearly 500 poor farmers in 23 rural communities in the departments of Managua and Carazo. More than 3,000 family members will also benefit from improved nutrition and increased income. (NC-242)



Photo: Emma Rodríguez

Supplemental Grants over \$10,000

Proyecto Aldea Global Jinotega (PAGJINO), \$169,983 over one year, to continue its training and technical support program in 46 communities devastated by Hurricane Mitch. The award allows PAGJINO to promote new, environmentally sound practices at the farm level and organize local farmers into a mutual support system that will assure the continuation of PAGJINO's services, thereby benefiting more than 1,100 families. (NC-222-A3)

Proyecto Aldea Global Jinotega (PAGJINO), \$386,961 over three years, to develop a marketing component to help local farmers increase the sale of their products. PAGJINO will coordinate productive efforts by overlapping harvest times, establishing contracts with buyers, and providing continual product storage for its members. Women's participation in this project will increase support for 80 female producers

of broccoli, cauliflower, carrots, beets and celery as well as chile tabasco and black beans. PAGJINO will train 1,170 members of 37 community development committees through 132 courses in sustainable agriculture, agro-forestry, marketing and accounting. The organization will also establish and administer a small revolving loan fund aimed at providing loans to small-scale farmers for the harvesting and marketing of their vegetable crops. Overall, this grant will support PAGJINO in its transformation from primarily an agricultural extension organization into a balanced organization providing its members with technical assistance along with credit services and marketing opportunities. (NC-222-A4)

Loans for Better Herds and Farms

By Miriam Brandão

Foundation Representative for Nicaragua

The *Corporación de Desarrollo Económico Local* (CODELSA) was created through an IAF grant to the Centro de Promoción de Desarrollo Local (CEPRODEL); in 1997 it received legal recognition as a community-based economic development center. CODELSA's mission is to strengthen the economic base of two municipalities in the departments of León, Telica and Quezalguaque, and assist their low-income population. It has worked closely with the municipalities in the democratic formulation of economic development strategies and plans.

IAF's \$303,000 in support will allow CODELSA to create a revolving loan fund and provide small-scale farmers with training and technical assistance aimed at increasing their incomes and strengthening local economic development. The loans will help farmers learn the technical and business skills to introduce higher quality milk and beef into the local markets and access national and international markets, especially for milk. Nearly 800 people will benefit from increased income from sales.

Targeting 130 families who already own their land and between five and 25 head of cattle, CODELSA will attract the critical skills and experience of larger herders, as well as assist marginally poor farmers with the potential to expand. CODELSA will make 200 loans of varying amounts for the purchase of animals and farm improvements.

Setting up a long-term sustainability mechanism, it will provide fee-for-service technical assistance and training in raising cattle of a breed suited to the local climate. Experts in marketing and contracting will provide farmers with key skills in business administration, including loan and contract management. The municipal government of Quezalguaque will contribute a building for the project's use and one staff person. The Ministry of Agriculture's Instituto Nicaraguense de Tecnología Agropecuaria and a private agricultural firm will also each contribute a staff person.

CODELSA is an important actor in a poor region that suffered extensive damage from Hurricane Mitch. Despite these challenges, the local population has shown considerable interest in and dedication to economic improvement. Over the past three years, CODELSA has made loans totaling \$775,000, assisting 1,100 small-scale farmers and micro-enterprise owners, and generating 1,170 permanent and 2,070 temporary jobs. Men and women have benefited equally from the existing fund. To date, CODELSA has been able to accommodate only 50 percent of the requests for credit; this award should help meet some of the remaining demand.



Photo: Michael Osoff

Panama

New Grants

Instituto para el Desarrollo Integral de Kuna Yala (IDIKY), \$174,593 over 18 months. IDIKY will undertake a community resource assessment project training more than 1,000 members of the Kuna communities to document resource areas for farming, hunting, fishing and collection of forest resources in their territories along with physical characteristics. The maps produced will present precise and detailed information on the use of the region's natural resources and will become the basis of a resource management plan for current and future generations. (PN-271)

Asociación de Profesionales Agropecuarias Ngobe-Bugle (APANB), \$167,538 over three years. APANB will undertake a project in 26 communities in the Mirono district in the comarca, or indigenous territory, of Nedrin in central Panama, directed at improving the production, processing and marketing of organic coffee and at promoting conservation of natural forest resources. APANB will utilize demonstration plots and establish coffee seedling nurseries, expand the use of processing/drying equipment, and publish educational materials in its effort to carry out this program benefiting 700 members of the indigenous Ngobe community. (PN-272)



Photo: Mac Chapin

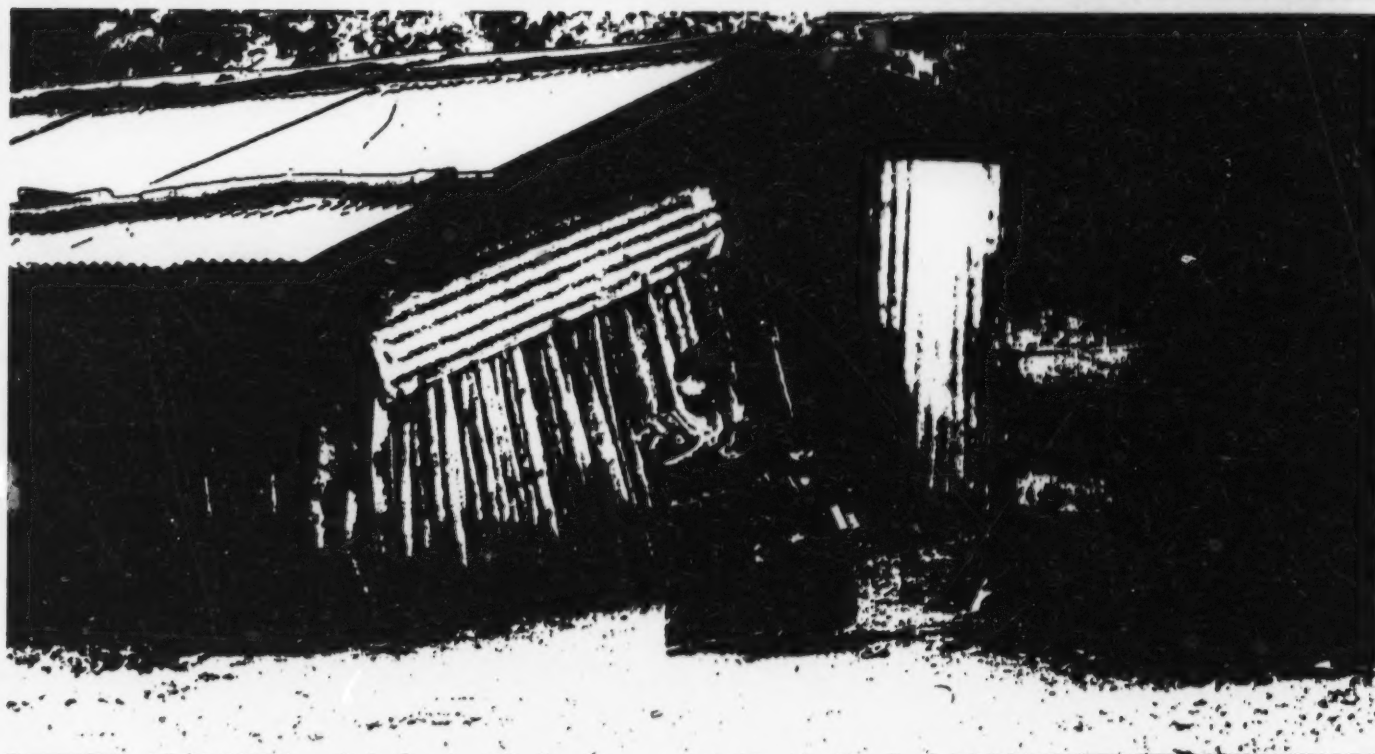


Photo: Kevin Healy

New Skills for Indigenous Farmers

By Kevin Healy

Foundation Representative for Costa Rica, Honduras and Panama

Asociación de Profesionales Agropecuaria Ngobe-Bugle (APANB) is the first professional association formed by the Ngobe-Bugles, the most numerous of Panama's indigenous peoples. It was founded to tackle problems of agricultural development in impoverished communities. The prime movers of the organization were community members who returned home with new agronomy skills after studying in Panamanian universities and vocational and technical schools, supported by scholarships from a German foreign aid agency.

The Ngobe-Bugles are one of the poorest social groups in Panama. Small farmers till hillside plots with poor soil and low productivity. Middlemen take advantage of their geographic isolation and poor road conditions to impose low prices for coffee. These factors have, in the past, discouraged investment needed to improve the quality of the product. They have also compelled the Ngobe-Bugles to seek work as migrant laborers on large commercial coffee farms. Thanks to protective legislation though, the Ngobe-Bugles have acquired rights to an extensive comarca, or territory, which has provided an incentive to improve their agricultural production and, as a result, family welfare.

APANB will undertake a three-year project to promote organic coffee production in 26 communities the district of Mirono. Its professionals will work with 60 farm families through their own organizations to improve and expand organic coffee production by providing technical assistance and training in tree pruning, organic insecticide, shade management, transplanting seedlings, preparation of organic fertilizers and other tasks related to natural resource management, as well as coffee processing and marketing. APANB aims to reduce deforestation, protect wildlife habitats and water sources, and generate employment and income from better coffee yields, processing and marketing. Working in partnership with APANB are GTZ, an official German foreign aid agency, the Panamanian Ministry of Agriculture, the Specialty Coffee Association of Panama and several Ngobe farmers' organizations.

Peru

New Grants

Centro para la Promoción del Desarrollo y Capacitación (CEDCAP), \$239,240 over three years, to construct an alpaca fiber collection, classification and processing facility, and train local shepherds in its management, thereby enabling 400 families to market their graded fiber directly to yarn and textile manufacturers. (PU-502)

Instituto Regional para la Educación (REDES), \$122,150 over three years, to conduct training exercises, strengthen a small credit fund, deliver technical assistance and help create a marketing network for 26 rural women's micro- and small enterprises, directly benefiting 665 families in the province of Chupaca. (PU-503)

Centro Ecueménico de Promoción y Acción Social (CEDEPAS), \$296,685 over three years. CEDEPAS will leverage approximately \$1 million in additional public and private sector resources to implement a rural development program in the Jequetepeque River Basin in Cajamarca. In conjunction with producer organizations, peasant families, local service agencies and agricultural marketing associations, CEDEPAS will establish sustainable nontraditional fruit and

vegetable marketing programs, benefiting 6,000 people and creating more than 400 jobs. (PU-505)

Asociación Especializada para el Desarrollo Sostenible (AEDES), \$300,000 over three years. AEDES will provide technical assistance, equipment, training and credit to 1,000 farmers in the province of La Unión to improve the post-harvest processing of organically grown crops in order to increase demand and market value. (PU-507)

Instituto Promoción y Desarrollo Agrario (IPDA), \$284,800 over two years, to construct and implement a processing plant for preparing fresh vegetables and small livestock under sanitary conditions for local markets and community kitchens, thereby direct benefiting 1,000 families. (PU-508)

Supplemental Grants over \$10,000

Centro de Información y Desarrollo Integral de Autogestión (CIDIAG), will use \$151,985 over 15 months, to enable it and local community and producer organizations to extend project activities in water and soil conservation, crop improvement, marketing, and institution building through a full

agricultural cycle in order to ensure the long-term sustainability of the program and community-owned micro-enterprises. (PU-473-A3)

Centro de Estudios para el Desarrollo Regional (CEDER), \$144,260 over one year, to rehabilitate irrigation systems and reestablish integrated farm management systems that will benefit 900 small-scale farmers in three districts severely damaged by the earthquake that struck southern Peru on June 23, 2001. (PU-481-A1)



Photo: Miguel Serrano



Photo: Miguel Seyago

Poverty Reduction through Access to Markets

By Chris Krueger

Foundation Representative for Bolivia and Peru

The *Centro Ecuménico de Promoción y Acción Social* (CEDEPAS) is working with grassroots organizations, local government and businesses to spur economic development among small-scale farmers in a corridor that stretches along the Upper Jequetepeque Valley in the department of Cajamarca. The award to this project, \$296,685 over three years, illustrates how the resources of the United States Agency for International Development and the IAF can be complementary. The notion of "economic corridors," promoted by USAID and the Peruvian government, is a strategy to focus resources and help reduce poverty in a dozen geographic areas in Peru. In each corridor, USAID has selected lead NGOs to operate information and technical assistance services so more local farmers might gain access to national and international markets.

In the Upper Jequetepeque Valley, however, thousands of poor, small-scale farmers would still not know about the availability of such resources nor operate in organizations that help them attain the quality and efficiency required to compete in these markets. While most local governments are interested in promoting productive activities in their municipalities, their resources allow only road maintenance and some assistance with transportation. Few have well-defined economic development strategies or the financial and technical capacity to support production and marketing chains that link small-scale producers to better markets.



Photo: Kathryn Shaw

With IAF resources, CEDEPAS, in coordination with other NGOs and local governments, will work with 3,000 families in 15 small municipalities in the Upper Jequetepeque corridor toward improving the organization of production and post-harvest activities so that traditional crops, such as beans, chirimoyas and mangos, as well as new crops, such as artichokes and oregano, can be sold in market niches that will bring prices three and four times current levels. If successful, some 300 jobs will be added to the local economy, mostly in small businesses that select and store crops.

Agribusinesses that export crops to the U.S. and Europe have in recent years begun to contract with small-scale farmers thanks to the intermediary role played by NGOs like CEDEPAS. Some of these businesses provide small amounts of credit and technical assistance that are amplified and tailored by the NGOs who work on a permanent basis with the producers. Municipal governments can support private sector and NGO investments in production and marketing by prioritizing road maintenance and infrastructure improvements (irrigation canals, storage facilities, use of tractors and trucks) and streamlining the licensing and legal processes. Assured that producers will be able to repay their loans, local programs can inject credit into the economy. In this case, the Caja Rural de Cajamarca will provide \$350,000.

Without organizations such as CEDEPAS, strategies like the "economic corridor" would have much less of a multiplier effect. At the same time, without overarching strategies and inter-linking partnerships, the work of small NGOs like CEDEPAS would be limited in scope and sustainability. Perhaps mostly importantly, the concerted efforts of producers working together to transcend what is possible for each individually will be a critical step toward replacing subsistence farming with an interconnected, locally managed economy.

Venezuela

New Grant

Centro de Formación Popular Renaciendo Juntos (CEPOREJUN), \$258,538 over two years, to initiate an innovative job training and enterprise development program for 550 unemployed or low-income

Nueva Esparta residents who are living with HIV/AIDS. Their families will also benefit from increased household income. (VZ-186)

Confronting HIV/AIDS

By Audra Jones

Representative for Venezuela, Paraguay and Argentina

Despite their country's petroleum wealth, more than 80 percent of Venezuelans live in poverty. Some have been forced out of the job market because of HIV/AIDS. Many of these individuals feel they must avoid medical treatment in order to hold onto their job—while their health deteriorates. The alternative proposed by the *Centro de Formación Popular "Renaciendo Juntos"* (CEPOREJUN) allows them to seek the medical attention necessary to stay healthy and productive.

CEPOREJUN will create a vocational school for low-income people with the virus in Nueva Esparta, the Venezuelan state ranking second in the number of reported HIV/AIDS cases. Its *Escuela de Inserción Laboral para Personas que Viven con VIH/SIDA* will provide hands-on technical and administrative training for up to 550 individuals, preparing them as employees or micro-entrepreneurs. The program will also target the stigma associated with employing a worker with HIV/AIDS by educating business leaders on the rights as well as the capabilities of this population. Finally, the project's methodology will be documented for dissemination and replication.

To launch this program, CEPOREJUN has entered into two strategic partnerships. First, it will collaborate closely with La Asociación AMARE, an NGO that deals with the medical and advocacy issues related to HIV/AIDS. Staffed by volunteer doctors and nurses well aware of the employment discrimination their patients face, AMARE provides AIDS testing, psychological treatment and lobbying services. Second, CEPORJUN has entered into an agreement with Veneguay, C.A., a workshop and store that is home to traditional Venezuelan arts. Participants from CEPOREJUN's school will be able to use Veneguay's studio or be trained there in managing their own ceramics micro-enterprises. Veneguay has also offered entrepreneurs among the students a free space in its store. CEPOREJUN is negotiating similar agreements with other businesses to ensure its participants appropriate commercialization and training opportunities.



Photo: Mark Calender; credits from Veneguay, C.A., courtesy of Audra Jones.

Latin America (Regional)

Supplemental Grants over \$10,000

Asociación Latinoamericana de Organizaciones de Promoción (ALOP), \$27,500 over an 18-month period, to strengthen the institutional capacity of non-governmental organizations (NGO) in at least six Latin American and Caribbean countries in establishing and maintaining innovative and sustainable alliances with local governments that support the development initiatives of poor and low-income communities. As a result of DELNET training in local economic development, technical assistance, a conference, case study reports and other dissemination activities, approximately 195 development practitioners and 14 NGOs will directly increase their capacity to initiate NGO-government alliances that will improve the quality of life of low-income people. (LA-156-A1)



Photo: Karen Benoit

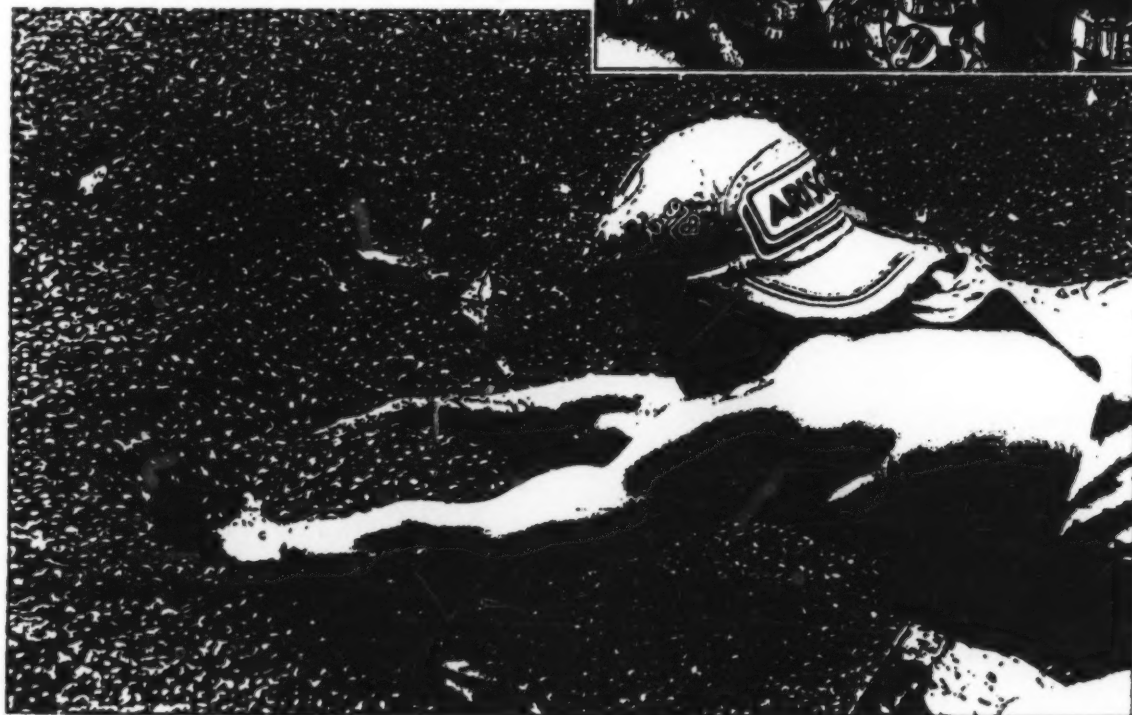


Photo: Julio Antonio Motta Nieto

Office of Evaluation and Dissemination

The Office of Evaluation and Dissemination (E&D) contributes to IAF's program by monitoring and compiling results, evaluating the impact of grants, and conducting studies of selected grants and themes. In line with IAF's congressional mandate, E&D disseminates its findings and other relevant information through news releases, conferences, publications and the IAF's Web site.

Evaluation

In fiscal 2001, the office refined its grant monitoring and evaluation system significantly. As a result, in each of the 15 countries with active IAF grants, an expert on data collection and statistical analysis visits grantees at the inception of the award, twice a year during the life of the project, and upon termination. Once aggregated, data are analyzed by country and project and the results synthesized for presentation to the IAF board and staff, the Office of Management and Budget, and congressional oversight committees.

Systematic monitoring is supplemented with impact and thematic evaluations. Working with grant monitors and other in-country professionals, E&D staff assesses the tangible and intangible impact of projects through analysis of a sample of projects whose funding has been completed.

During the past fiscal year, Ramón Daubón, senior researcher with the Kettering Foundation, completed a thematic study of democratic practices in eight grassroots development initiatives in Mexico, El Salvador, Costa Rica, Ecuador and Brazil. Dr. Daubón presented some of his findings at the conference the IAF co-sponsored with the Organization of American States. Portions of his summary, titled *All of the Voices: An Alternative Approach to Development Assistance*, have been excerpted for inclusion in various IAF publications, including this report. The entire draft

document has been distributed to selected organizations and will soon be accessible on the IAF's Web site.

Later in the fiscal year, the IAF contracted ECONERGY International Corporation (EIC) of Boulder, Colorado, a small business consulting firm with a strong focus on Latin America, to conduct an analysis of the factors that lead to ongoing or sustained grassroots development. The five-member team is studying 27 projects in Mexico, Costa Rica and Brazil for which IAF funding ended two to five years ago. Their goal is to define "sustainability" and identify its elements—economic, organizational, psychological, political and technical.

Dissemination

Lessons learned from the evaluations and studies described above, as well as the experiences of the grantees themselves, provide material for dissemination. In fiscal 2001, the IAF took steps to expand its dissemination effort. After a hiatus of nearly two years, the next issue of *Grassroots Development* is scheduled to appear in spring of 2002. The IAF has also compiled for publication in English and Spanish papers presented at two of the successful conferences it co-sponsored: *Approaches to Increasing the Productive Value of Remittances*, from the event the IAF held with the World Bank and the Washington Office of the United Nations Economic Commission for Latin America and the Caribbean; and *Building Democracy from the Grassroots*, from the joint effort by the IAF and the OAS.

Fiscal 2001 saw the redesign of IAF's Web site to include updated material on application procedures, information on past and current awards, an online newsletter, news releases, a photo essay, and our inventory of publications. The new site in English, Spanish and Portuguese can be viewed at www.iaf.gov in graphic or text version.

The IAF-OAS Democracy Forum

The July 16 forum "Building Democracy from the Grassroots," organized by the IAF's Office of Evaluation and Dissemination and the Unit for the Promotion of Democracy of the OAS, drew more than 250 international affairs professionals to the Hall of the Americas. Experts from Latin America, the Caribbean and the United States addressed opportunities and challenges facing the region's democracies as they transfer public resources and functions from central bureaucracies to municipalities. Throughout the hemisphere, municipalities, administered by elected officials, are expected to deliver basic services, initiate development projects, and cope with poverty, natural disasters, partisan politics, limited technical resources, public distrust and the region's worsening economy.

In this daunting context, hope lies in what keynote speaker Lester Salamon of Johns Hopkins University called the recent worldwide "massive upsurge of organized private voluntary activity." Salamon predicted this civil society would combine with the state and private sector to address public needs. Confirming his point was the experience recounted by a panel from Nejapa, a municipality of 30,000 residents in El Salvador.

Despite extreme poverty, as well as the scars left by the recent conflict, deforestation, pollution and two earthquakes in early 2001, Nejapa, under the leadership of Mayor René Canjura, a panelist, has initiated hundreds of development projects since 1994. Key to Canjura's early successes was collaboration with



At the forum "Building Democracy from the Grassroots," Mayor René Canjura of Nejapa, El Salvador, describing the development initiatives his administration has undertaken in a decentralized democratic context, with Marcos Rodríguez of El Salvador's National Development Foundation and Ambassador Margarita Escobar, El Salvador's Permanent Representative to the Organization of American States.

several NGOs, including IAF grantee Fundación Salvadoreña de Apoyo Integral. Canjura has since struck partnerships with private enterprises, including EMBOSALVA, a Coca-Cola bottler attracted to Nejapa because of its abundant water supply. Canjura and panelist Ernesto Barrientos, EMBOSALVA's general manager, agreed on the central importance of mutual trust and a common interest in bettering conditions in their community. Panel moderator Marcos Rodríguez of the National Development Foundation in El Salvador attributed Nejapa's success to a democratic framework, decentralization and the local government's encouragement of grassroots organizations.

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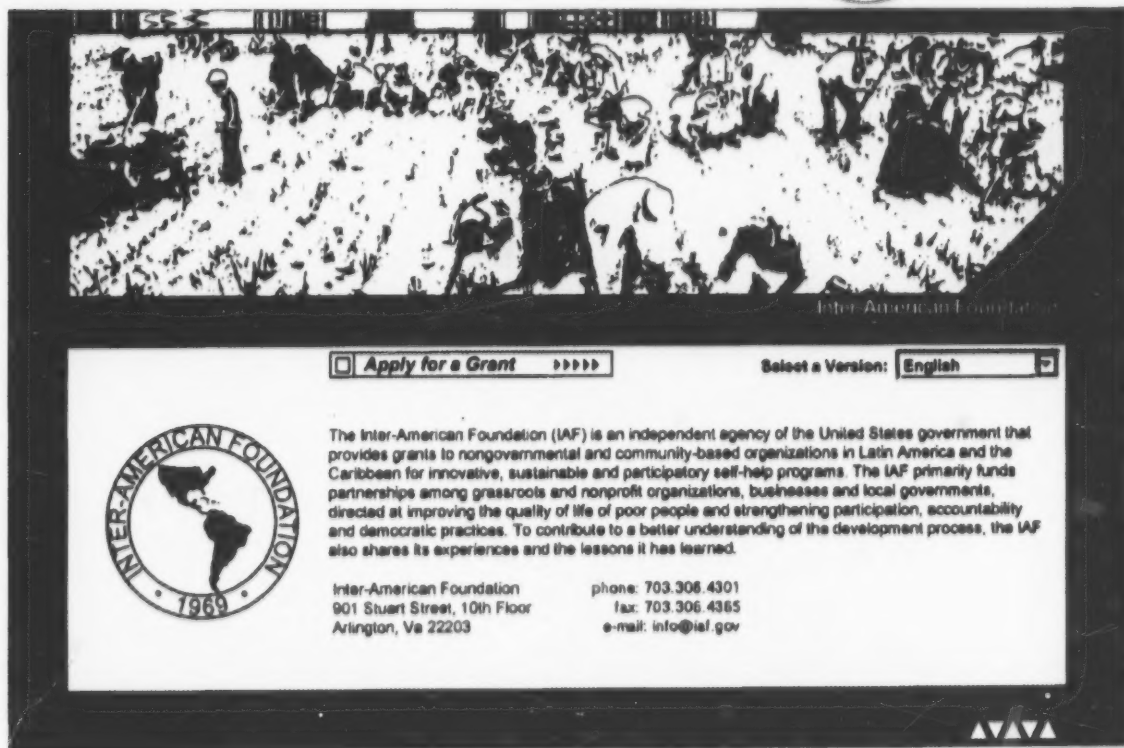


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